Ban on opening of new branches of co-operative banks

2952. SHRI C. PERUMAL: Will the Minister of FINANCE be pleased to state:

(a) whether Reserve Bank of India has banned opening of new branches of co-operative banks;

(b) if so, the reasons therefor; and

(c) the steps taken by Government to lift the ban?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Reserve Bank of India's Annual Policy Statement, for the year 2004-05, refers to the issuance of fresh licence. It stipulates that in order to make the Urban Cooperative Banking (UCB) Sector strong, healthy and stable, it is proposed to consider issuance of fresh licences only after a comprehensive policy on UCBs including an appropriate legal and regulatory framework for the sector, is put in place and policy for improving the financial health of the urban cooperative banking sector is formulated.

In accordance with the announcement, any fresh proposal for organisation of new UCBs or for conversion of cooperative credit societies into UCBs is to be considered only after the situation is reviewed and a fresh announcement is made by Reserve Bank of India in this regard. However, in respect of State Cooperative Banks and District Central Cooperative Banks, there is no ban as such.

Payment of interest on investments of senior citizens

2953. SHRI HARISH RAWAT: Will the Minister of FINANCE be pleased to state:

(a) whether Government have received any communication Notification No. GSR 490(E) dated the 2nd October, 2004 regarding senior citizens savings scheme to amend rule 7 of the Notification;

(b) if so, the details thereof; and

(c) what action Government have taken/propose to take in this behalf to make it easy to get the payment of interest on the investments of the senior citizens in a more easy way?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) to (c) Representations received from time to time for amendment to small savings schemes rules, including the rules concerning senior citizens Savings Scheme, provide inputs to the Government for decisions regarding the schemes. Government of India *vide* notification No. GSR 490(E) dated 2nd August, 2004 has notified the Senior Citizens Savings Scheme Rules, 2004. Rule 7 of the notification is regarding interest on deposits under the scheme. In accordance with rule 7 of the scheme, interest at the rate of 9 per cent per annum is payable on deposits on a quarterly basis.

Keeping in mind the convenience of the depositors, the facility of direct credit of interest in the depositor's savings account in the same post office/ bank branch has been provided for. Further, there is also a provision for payment of post maturity interest at the rate applicable to deposits under the Post Office Savings Account from time to time on matured deposits.

Revival of disinvestment

2954. MS. SUSHILA TIRIYA: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government propose to revive disinvestment in Public Sector Companies; and

(b) if so, the details thereof?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) On 6th July, 2006, the Government decided to keep all disinvestment decisions and proposals on hold, pending further review, which is yet to be completed.

Evasion of excise duty by pharma companies

2955. SHRI UDAY PRATAP SINGH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Government have initiated probe into excise and customs duty evasion by some pharma companies; and

(b) if so, what are the names of companies and amount of excise duty and customs duty evaded separately?